

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re: W. R. GRACE & CO., et al., <i>Debtors.</i>	§ § § § § § §	Chapter 11 Case No. 01-01139 (JKF) Jointly Administered
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**PHASE II PRETRIAL SUBMISSION OF THE PROPERTY
DAMAGE FUTURE CLAIMANTS' REPRESENTATIVE**

Pursuant to paragraph 4 of the Court's July 7, 2009 "Order Regarding Phase II Pre-Trial Proceeding," the Hon. Alexander M. Sanders, Jr., Legal Representative for Future Asbestos-Related Property Damage Claimants and Holders of Demands (the "PDFCR"), files his Phase II Pretrial Submission, as follows:

A. General Statement and Reservation of Rights

At this time, the PDFCR has no intention of introducing evidence or calling witnesses with respect to issues in Phase II other than on (depending on future events) feasibility issues. However, because discovery with respect to the Plan's feasibility has not yet begun, the PDFCR is not now in a position to make a meaningful, and certainly not one that is complete and final, pretrial statement on feasibility issues. Thus, this Pretrial Statement is subject to significant modification, supplementation or amendment depending upon the outcome of the feasibility discovery.

B. Pretrial Submissions

(i) Statement of Issues

1. Whether the applicable Debtors are likely to have the ability to fulfill the future financial obligations to the Property Damage Trust and the PI Trust

(ii) List of Witnesses; description of the evidence; called live or by deposition

1. Hudson LaForce

The evidence which will be given by Mr. LaForce is not yet known to the PDFCR since his deposition has not yet occurred. It is anticipated that Mr. LaForce will testify live at the Phase II confirmation hearing, although if he does not do so, the PDFCR reserves the right to call Mr. LaForce by deposition.

2. Pamela Zilly

The evidence which will be given by Ms. Zilly is not yet known to the PDFCR since his deposition has not yet occurred. It is anticipated that Ms. Zilly will testify live at the Phase II confirmation hearing, although if he does not do so, the PDFCR reserves the right to call Ms. Zilly by deposition.

3. Any witness called by any other party at the Phase II Confirmation hearing

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(iii) List of Exhibits

Since feasibility discovery is not complete, it is not presently known what exhibits will be introduced. However, it is presently anticipated that at a minimum such exhibits would include, but are not limited to the following:

1. Pre-Petition and Post-Petition SEC filings containing disclosures with respect to anticipated asbestos property damage liability.
2. Expert Reports on feasibility and exhibits thereto.
3. Plan Documents concerning Property Damages issues (including the Asbestos PD Trust Agreement, the Share Issuance Agreement, the Case Management Order for Class 7A Asbestos PD Claims, the Asbestos PI/PD Inter-Creditor Agreement, the Deferred Payment Agreement (Class 7A PD), the Deferred Payment Agreement (Class 7B ZAI), the W. R. Grace & Co. Guarantee Agreement (Class 7A PD), the W. R. Grace & Co. Guarantee Agreement (Class 7B ZAI) and the ZAI Trust Distribution Procedures).
4. Exhibit 3 to the Roarke Deposition from the *Sealed Air* litigation.
5. The Exhibits introduced at the depositions of Mr. LaForce and Ms. Zilly.
6. Exhibits offered by any other party to the Phase II confirmation hearing

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Respectfully Submitted,



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M. SANDERS, JR., LEGAL
REPRESENTATIVE FOR FUTURE
ASBESTOS-RELATED PROPERTY
DAMAGE CLAIMANTS AND HOLDERS
OF DEMANDS

CERTIFICATE OF SERVICE

I certify that on the 20th day of July, 2009, this document was served through the ECF system on all persons who have requested notice through the ECF system, and upon the special notice parties by electronic mail.


